
STATUTORY BOARD FINANCIAL REPORTING STANDARD GUIDANCE NOTE 6

Disclosures for Management Entities

SB-FRS Guidance Note 6 *Disclosures for Management Entities* applies to Statutory Boards from annual periods beginning on or after 1 July 2014.

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Statutory Board Financial Reporting Standard (SB-FRS) Guidance Note 6

Disclosures for Management Entities

Objective

1. The objective of this Guidance Note is to provide guidance on disclosures of key management personnel compensation provided by management entities under SB-FRS 24 *Related Party Disclosure*.

Background

2. SB-FRS 24 paragraph 28A exempts Statutory Boards (SBs) from the disclosure of related party transactions with Government-related entities other than Ministries, Organs of State and other SBs, unless there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to readers of the financial statements, e.g. transactions not carried out in normal course of business, not on market terms, etc.

Disclosure of Key Management Personnel Compensation by Management Entities

3. In the context of SB-FRS 24, a management entity refers to an entity, or any member of a group of which it is a part, which provides key management personnel (KMP) services to the reporting entity or to the parent of the reporting entity. According to SB-FRS 24 paragraph 9(b)(viii), a management entity is a related party to the reporting entity.
4. SB-FRS 24 paragraph 18A requires the disclosure of the amounts incurred by SBs for KMP services provided by a separate management entity.
5. Notwithstanding SB-FRS 24 paragraph 28A, expenses incurred by SBs for KMP services provided by management entities which are Government-related entities should be disclosed as such expenses are a form of KMP compensation¹.
6. The requirement of paragraph 5 applies, regardless of whether SBs make such payments directly to the KMPs or to the management entities.

Effective Date

7. This Guidance Note is operative for financial statements covering periods beginning on or after 1 July 2014.

¹ The expenses in respect of key management personnel compensation incurred by the SBs for KMP services provided by a separate management entity can be included as part of the disclosures of SB-FRS 24 paragraph 17.